Financial Results Presentation
Q3 FY9/2024
(October 1, 2023 – June 30, 2024)

Financial Partners Group Co., Ltd.
(Prime Market of TSE, Code : 7148)

Embracing the future through finance

We will always be there to support our customers,
with the ultimate goal of being their Financial Partners
in embracing the future through finance.

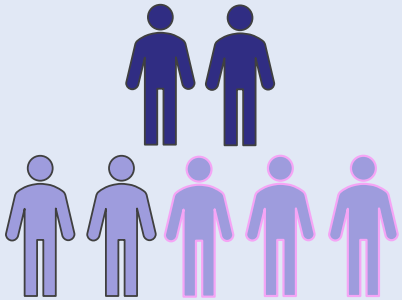
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Corporate Governance Structure

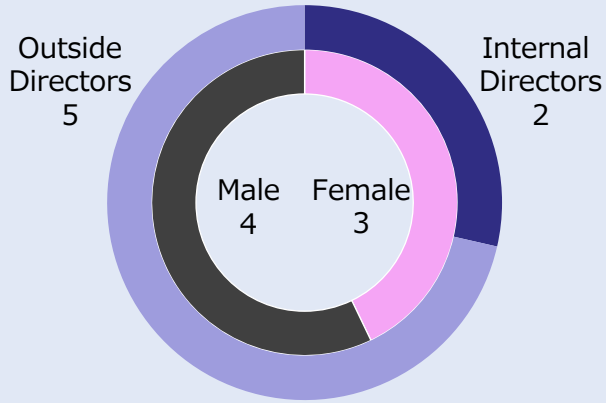
- Our Board of Directors consists of seven members, five of whom are independent outside directors, and three being female directors (including one foreign national), ensuring high independence and diversity. Additionally, all three members of the Audit & Supervisory Board Members are independent outside auditors.

Board of Directors: 7 members

Of these, 5 are independent outside directors and 3 are females.

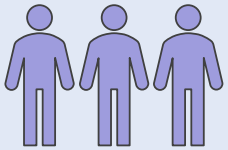


Composition Ratio



Audit & Supervisory Board Members: 3 members

Of these, 3 are outside auditors



Composition Ratio



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Earnings Summary

Q3 Results (Cumulative)

- The Leasing Fund Business and the Domestic Real Estate Fund Business have strongly driven growth, resulting in a significant increase in both revenue and profit, surpassing the full-year earnings forecast announced on March 22 by the end of the Q3.
  - ✓ Net Sales: JPY 81.31 billion (+JPY 33.27 billion, +69.3% YoY)
  - ✓ Ordinary Income: JPY 23.47 billion (+8.05 billion, +52.2% YoY)

Full-year Forecast & Shareholder Returns

- Given the Q3 results exceeding our previous forecast, we announced further upward revisions to our full-year earnings and dividend forecasts on July 29.
- The year-end dividend has been increased to 67.10 yen, up 17.85 yen from the previous forecast, and the annual dividend per share (forecast) including the interim dividend of 38.75 yen has been upwardly revised to 105.85 yen (+32.85 yen YoY).

Q3 Topics

- Leasing Fund Business: We continued active arrangement and sales centered on large-scale ship projects associated with transition finance for CO_2 reduction.
- Domestic Real Estate Fund Business: In June 2024, we arranged 2 floors of the "Roppongi Hills Mori Tower" as our largest project to date. The sale of 1 floor of "GINZA SIX," which was arranged in March 2024, is progressing favorably.
  As a result of accelerating the virtuous cycle of arrangement and sales, the cumulative sales amount of the business exceeded 200 billion yen.
- International Real Estate Fund Business: The large-scale multifamily housing complex project in Austin, Texas, which was the 3rd project arranged and launched in October 2023, has sold out in April 2024. In May 2024, "Hyatt Centric Waikiki Beach," a large-scale hotel-centered mixed-use building in Hawaii, was arranged as the 4th project.

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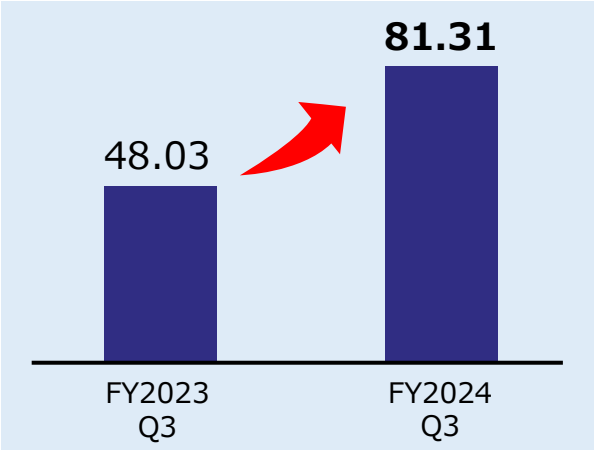
Financial Highlights

- The Leasing Fund Business and the Domestic Real Estate Fund Business have strongly driven growth, resulting in a significant increase in both revenue and profit.
- Record annual profits were achieved by the end of Q3 for the second consecutive year.

Net Sales

Appx. 1.7x

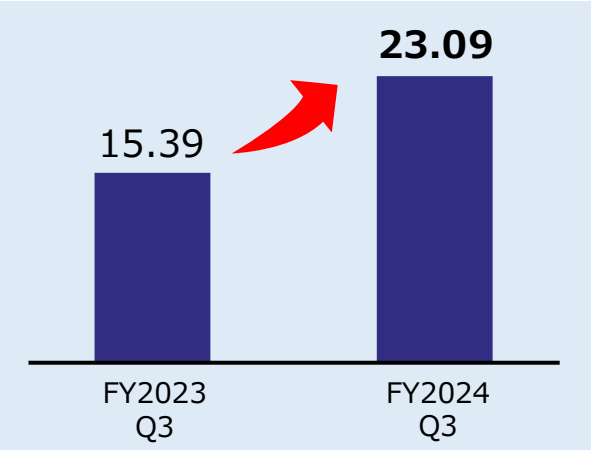
(Unit: JPY billion)



Operating Income

Appx. 1.5x

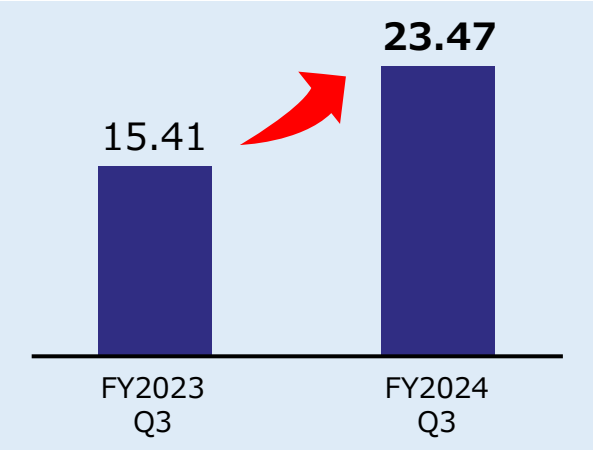
(Unit: JPY billion)



Ordinary Income

Appx. 1.5x

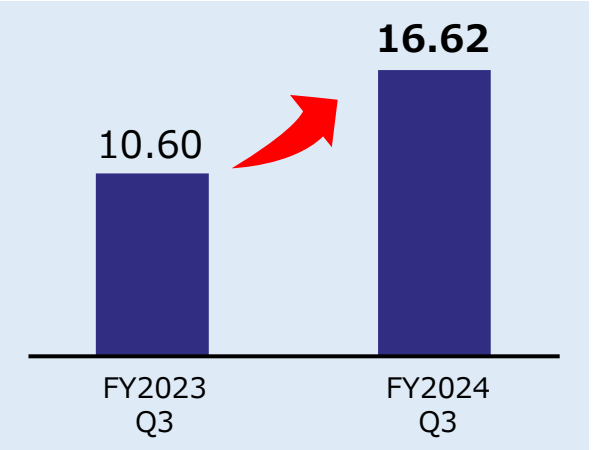
(Unit: JPY billion)



Net Profit*

Appx. 1.6x

(Unit: JPY billion)



* Profit attributable to owners of parent.

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Q3 Cumulative Results and Revised Forecast

- The Leasing Fund Business and the Domestic Real Estate Fund Business have strongly driven growth, resulting in a significant increase in both revenue and profit.
- Given the Q3 results exceeding our previous forecast, we announced further upward revisions to our full-year earnings and dividend forecasts on July 29.

(Unit: JPY billion)

Consolidated P/L	Q3				Full Year				
	FY2023	FY2024	YoY Change		FY2023	FY2024		YoY Change	
			Amount	Rate		Prior Forecast as of March 22	New Forecast as of July 29	Amount	Rate
Net sales	48.03	**81.31**	+33.27	+69.3%	71.14	78.20	**99.50**	+28.35	+39.8%
Gross Profit	21.29	**30.46**	+9.17	+43.1%	26.30	-	-	-	-
Operating income	15.39	**23.09**	+7.69	+50.0%	18.26	20.80	**25.60**	+7.33	+40.2%
Ordinary income	15.41	**23.47**	+8.05	+52.2%	17.98	21.00	**26.00**	+8.01	+44.5%
Margin on sales	32.1%	28.9%	-	-	25.3%	+26.9%	+26.1%	-	-
Profit attributable to owners of parent	10.60	**16.62**	+6.01	+56.7%	12.46	15.00	**18.00**	+5.53	+44.4%
Margin on sales	22.1%	20.4%	-	-	17.5%	+19.2%	+18.1%	-	-
Annual dividend per share (yen)	-	-	-	-	73.0	88.0	**105.85**	+32.85	-
Net Sales by Business									
Leasing Fund Business	17.60	**23.65**	+6.04	+34.3%	22.18	23.40	**26.60**	+4.41	+19.9%
Domestic Real Estate Fund Business	27.70	**55.24**	+27.54	+99.4%	45.07	50.90	**69.50**	+24.42	+54.2%
International Real Estate Fund Business	1.88	**1.93**	+0.04	+2.3%	2.82	2.90	**2.90**	+0.07	+2.7%
Other Business	0.83	**0.48**	(0.35)	(41.8%)	1.06	1.00	**0.50**	(0.56)	(53.0%)
Gross Profit by Business									
Leasing Fund Business	15.39	**21.06**	+5.66	+36.8%	17.43	-	-	-	-
Domestic Real Estate Fund Business	3.76	**7.58**	+3.81	+101.2%	5.79	-	-	-	-
International Real Estate Fund Business	1.62	**1.59**	(0.02)	(1.7%)	2.39	-	-	-	-
Other Business	0.50	**0.21**	(0.28)	(56.7%)	0.68	-	-	-	-

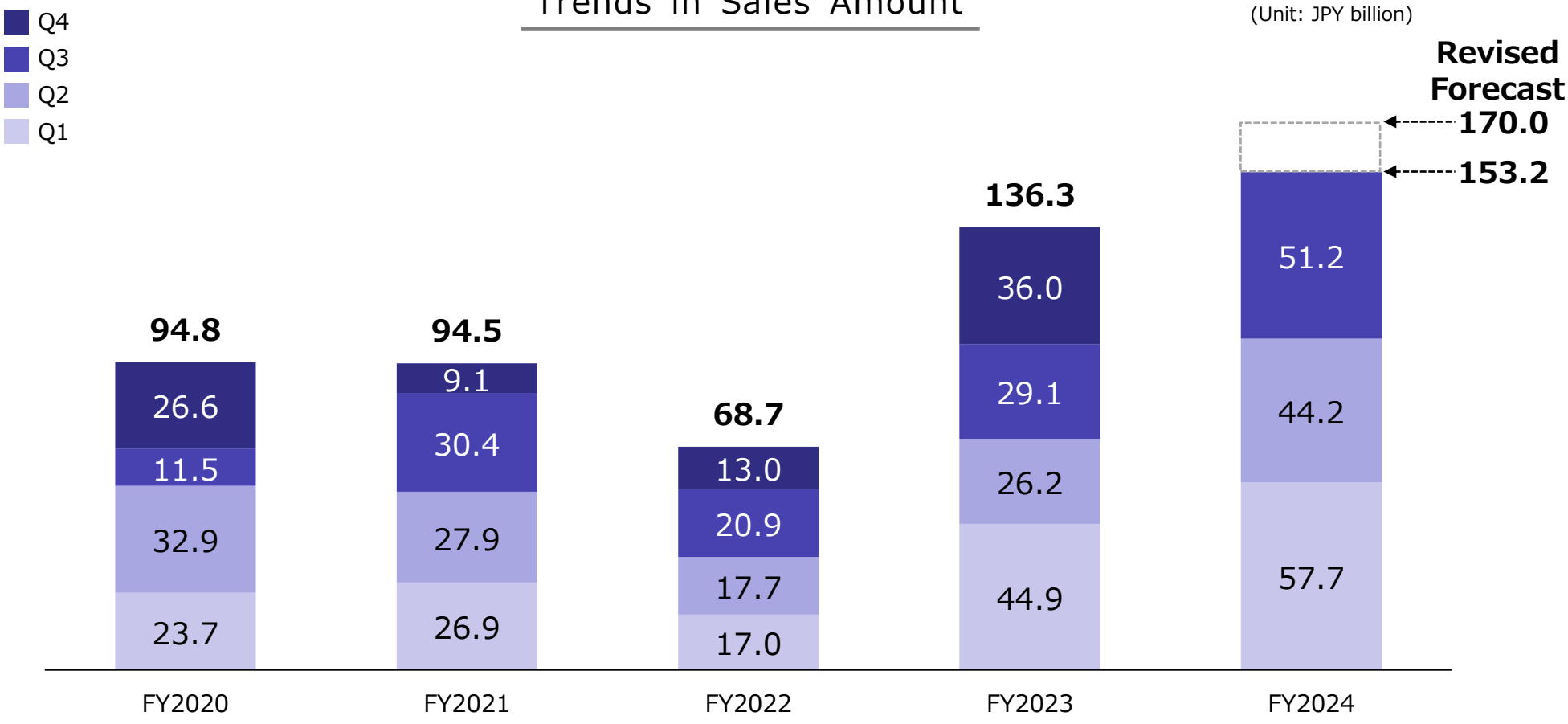
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Leasing Fund Business　Sales

- In response to strong demand from investors, we continued proactive sales, resulting in a new record high for the cumulative Q3 period.
- Upwardly revised the full-year forecast from JPY 150 billion to JPY 170 billion.

Trends in Sales Amount

(Unit: JPY billion)

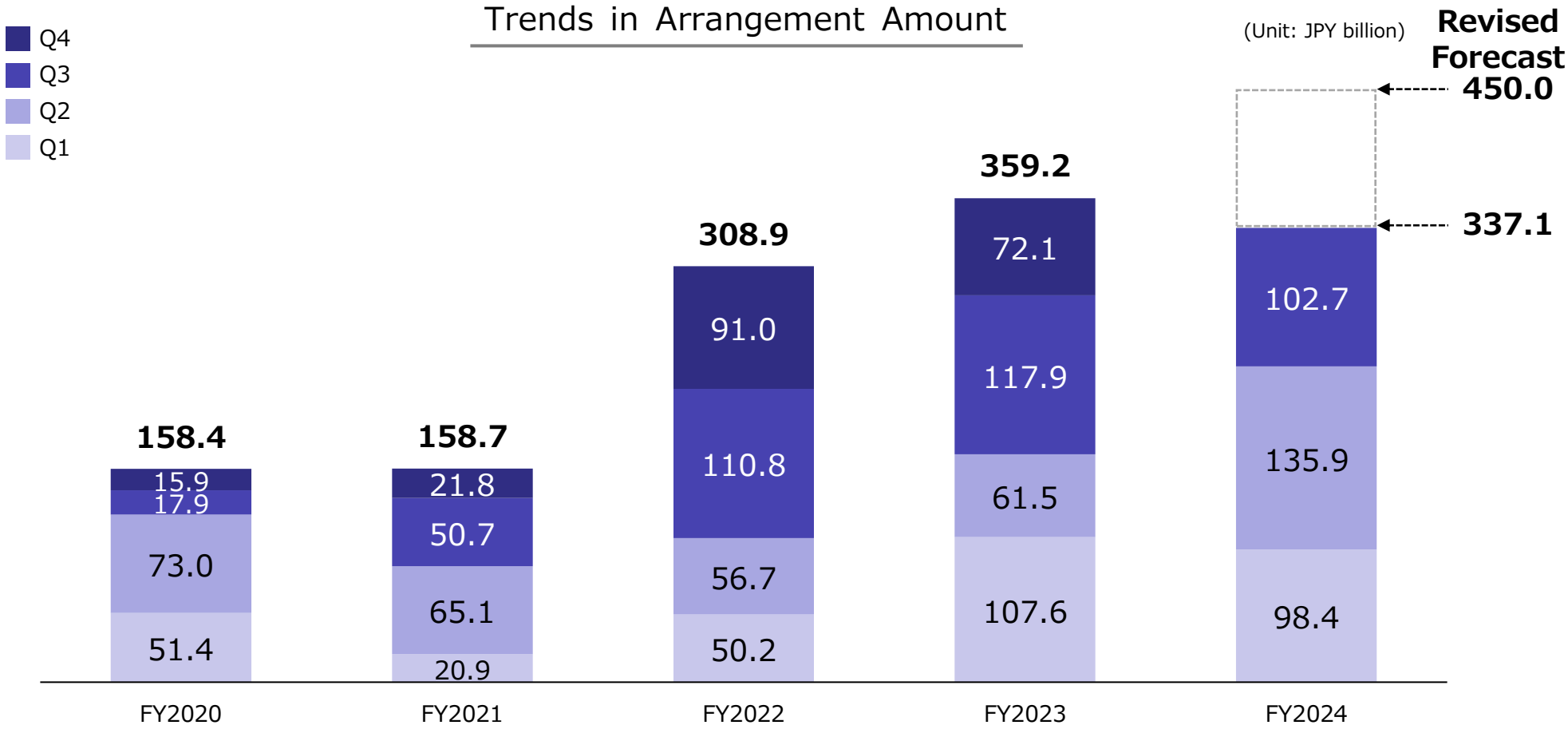


* Previous record-high equity placement sales on a Q3 cumulative basis: JPY 111.8 billion in FY9/2018.

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Leasing Fund Business　Arrangement

- Persisted arrangement centered on ship projects.
- Due to the continued proactive arrangement planned in the Q4, the full-year forecast has been revised upward to JPY 450 billion.



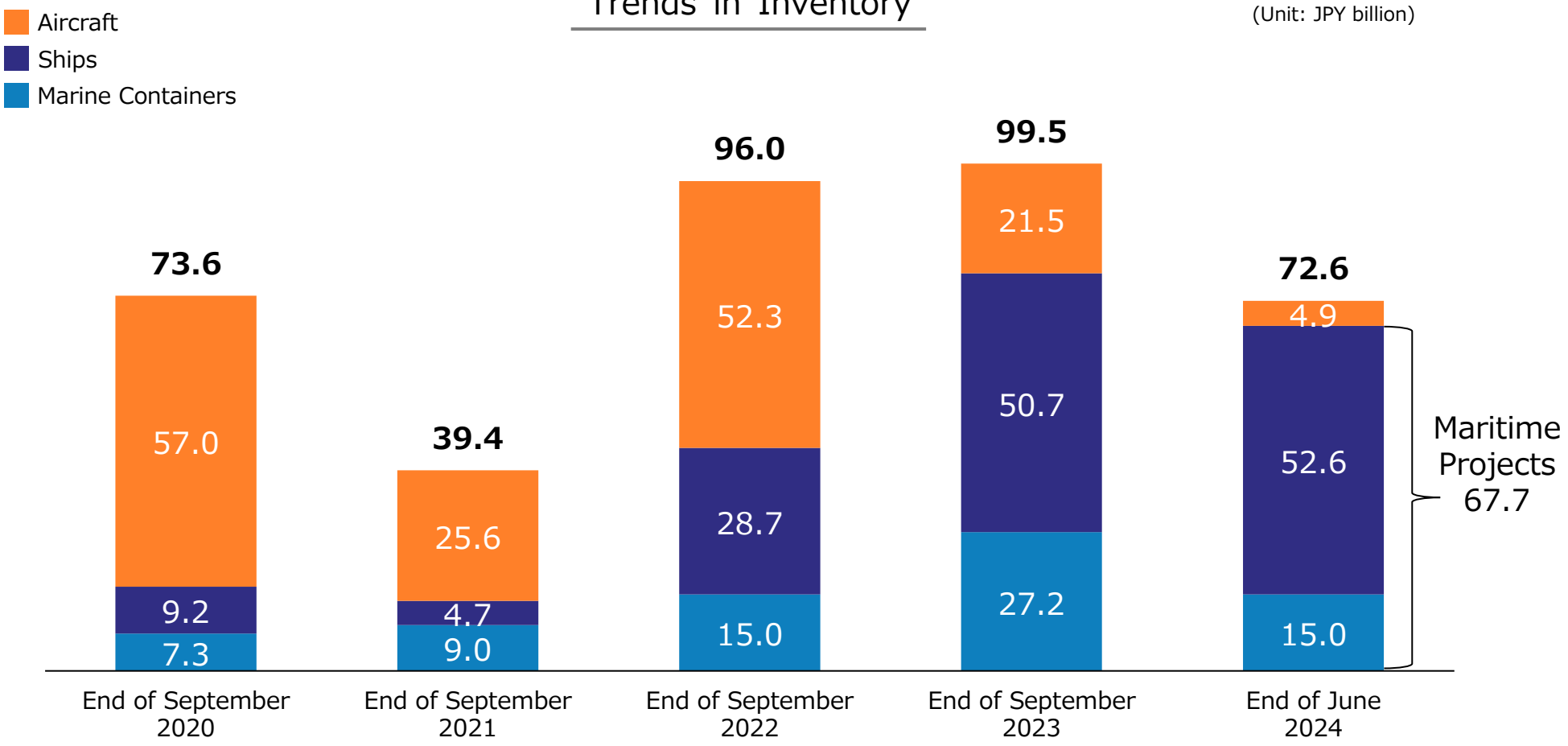
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Leasing Fund Business　Inventory

- Maintaining the policy of securing inventory of maritime projects, primarily large-scale ship projects associated with transition finance for CO_2 reduction*.
- By continuing proactive arrangement in the Q4, we anticipate inventory levels at the end of September 2024 to be similar to those at the end of the previous fiscal year-end.

Trends in Inventory

(Unit: JPY billion)



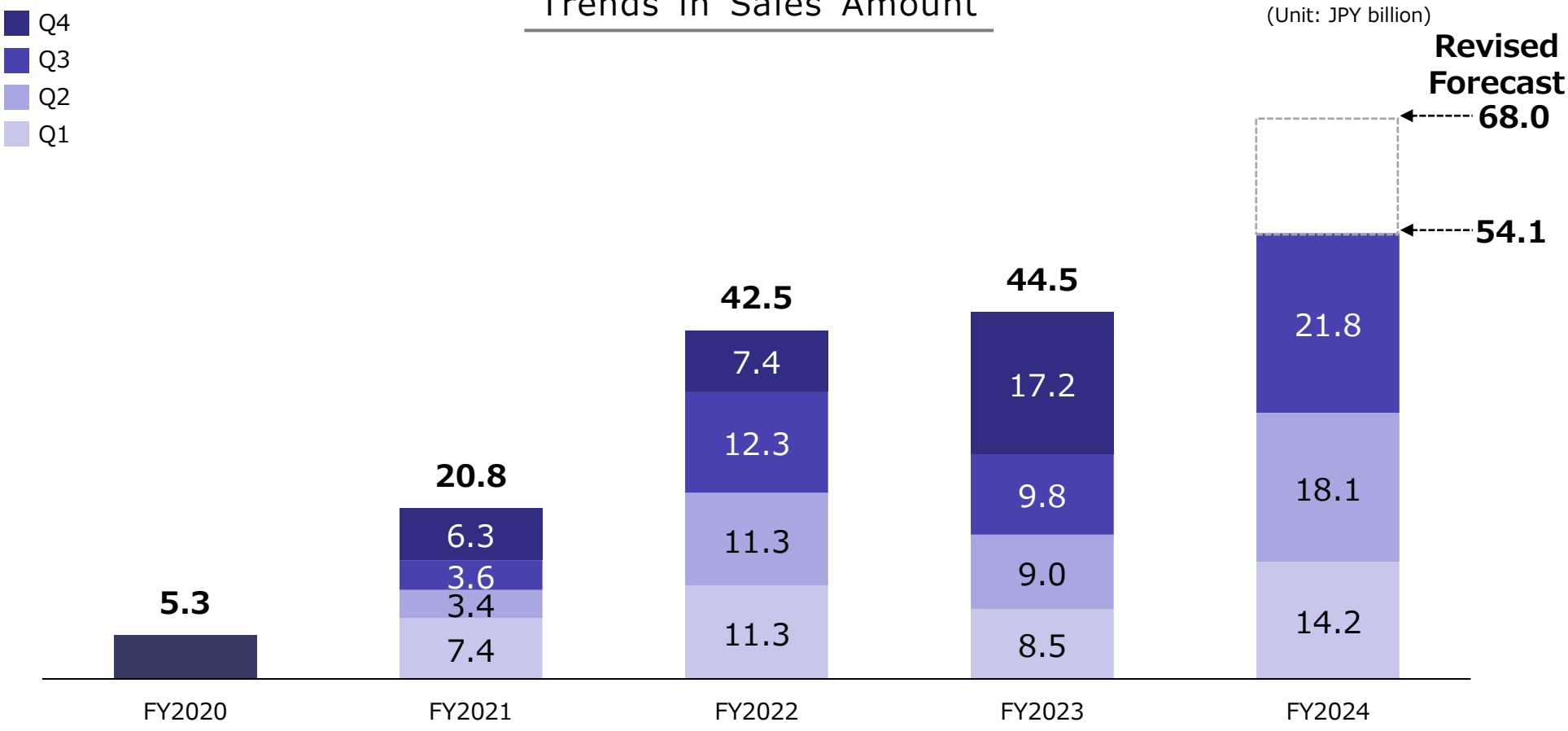
*Announced December 21, 2021 "Notice Regarding the Mandate of Large-Scale Project for "Transition Finance" Contributing to the Transition to a Decarbonized Society"
Announced September 1, 2022 "Notice of Mandated Large-Scale "Transition Finance" Project Promoting the Transition to a Global Decarbonized Society"

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Domestic Real Estate Fund Business　Sales

- Continuing strong demand from investors led to a significant update to the record-high sales amount on a full-year basis* by the end of the Q3.
- The full-year sales forecast has been revised upward from JPY 50 billion to JPY 68 billion.
- As a result of accelerating the virtuous cycle of arrangement and sales, the cumulative sales amount exceeded JPY 200 billion.
- Aiming for an annual sales amount of JPY 100 billion in the medium term.

Trends in Sales Amount



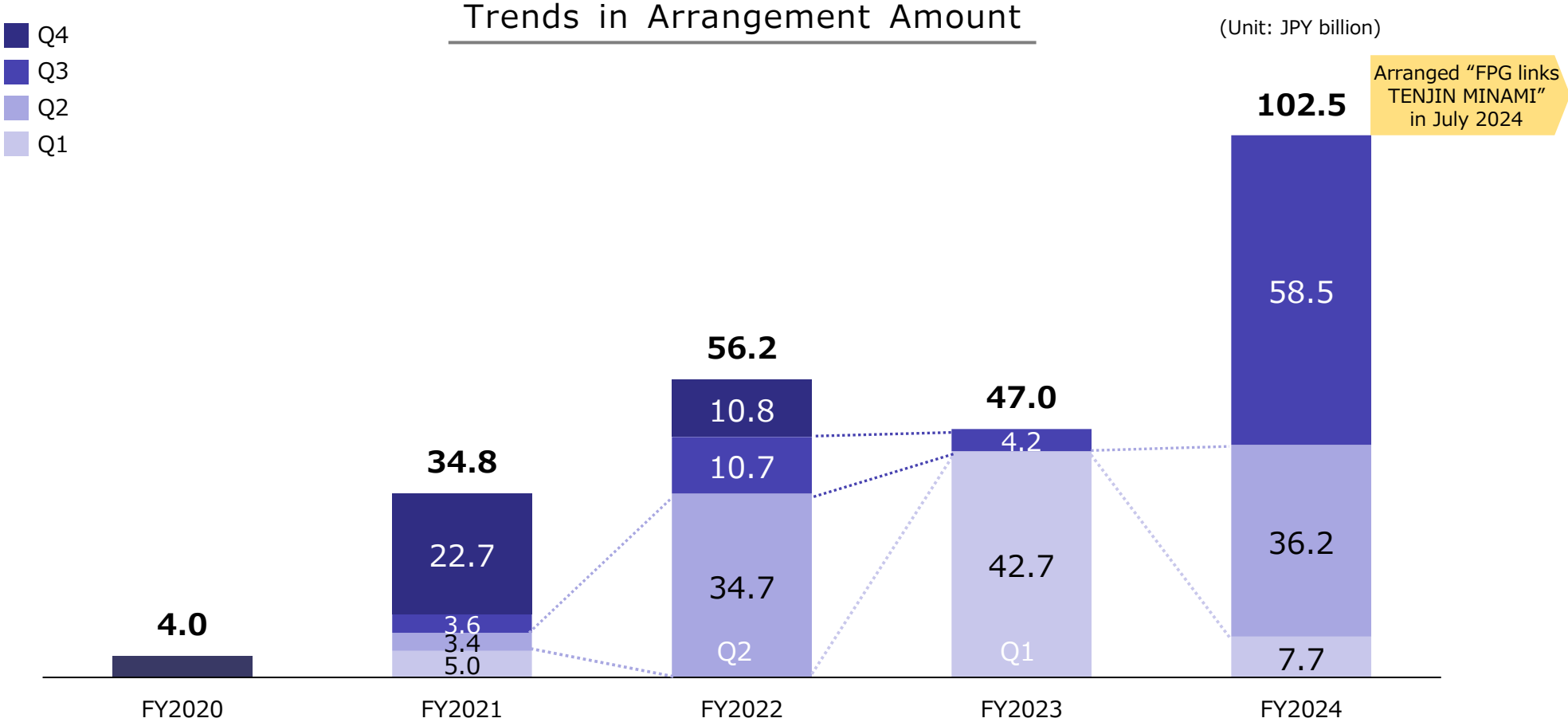
* Previous record-high sales amount on a full-year basis: JPY 44.5 billion in FY9/2023.

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Domestic Real Estate Fund Business　Arrangement

- Successful arrangement of two large-scale projects in two consecutive quarters: one floor of "GINZA SIX" *1 in March 2024, followed by two floors of "Roppongi Hills Mori Tower" *2 in June 2024, leading to an annual arrangement amount surpassing 100 billion yen.
- To meet diverse demands, "FPG links TENJIN MINAMI,"*3 our 6th project in Fukuoka City, has been arranged in July 2024.

Trends in Arrangement Amount



*1 Announced March 29, 2024 "Notice Regarding Completion of Acquisition of Real Estate for the Real Estate Fractional Ownership Investment Project "Premium Asset Series"
*2 Announced June 24, 2024 "Notice Regarding Completion of Acquisition of Real Estate for the Real Estate Fractional Ownership Investment Project "Premium Asset Series."
*3 Announced July 29, 2024 "Notice Regarding Completion of Acquisition of Real Estate for the Real Estate Fractional Ownership Investment Project "Premium Asset Series."

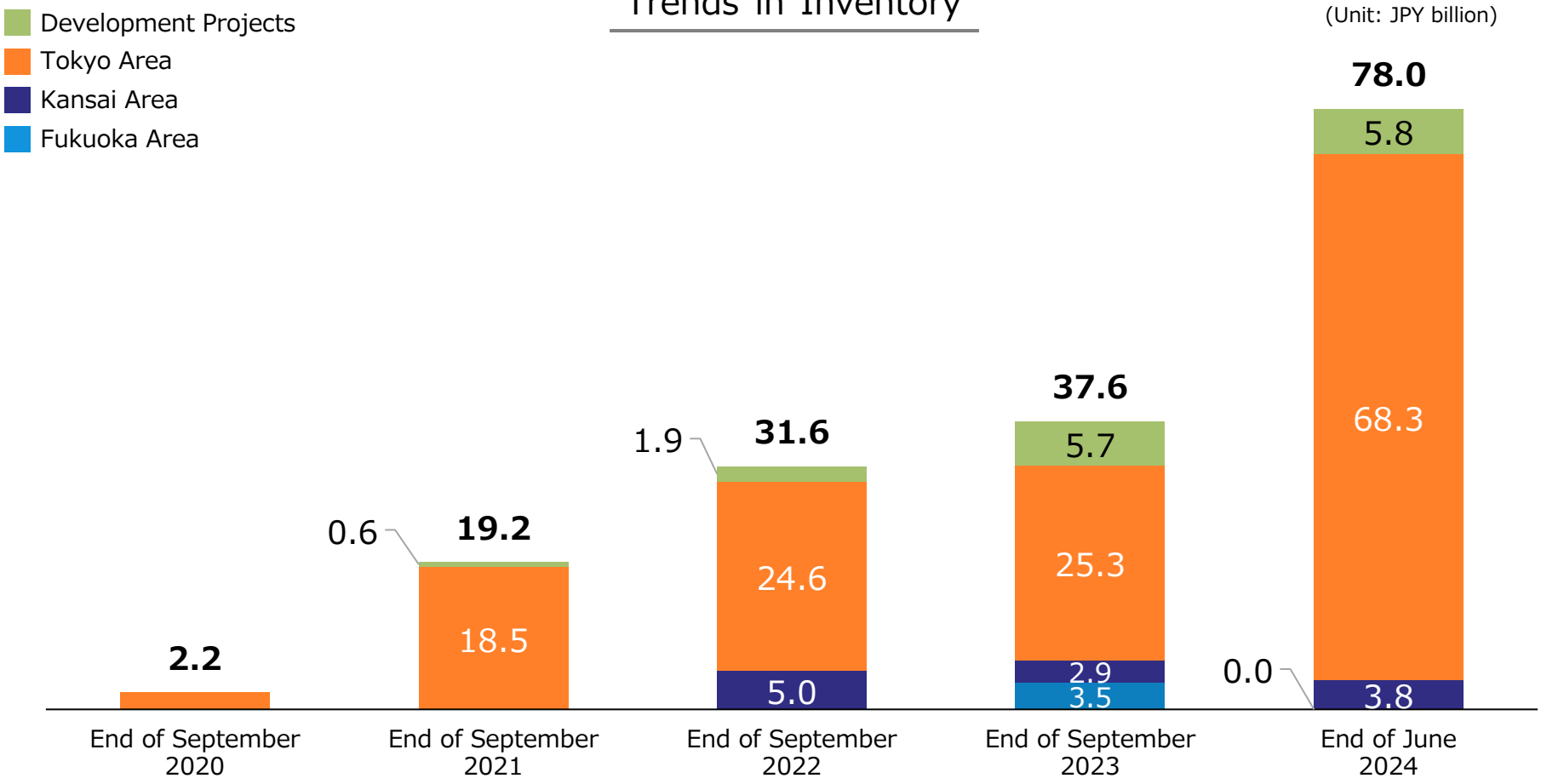
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Domestic Real Estate Fund Business　Inventory

- Through the continuation of proactive arrangements, we secured inventory that anticipates growth in the next fiscal year and beyond.

Trends in Inventory

(Unit: JPY billion)



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Domestic Real Estate Fund Business　Recent Arrangements

- In June 2024, we had arranged the largest-ever large-scale project, two floors of "Roppongi Hills Mori Tower".
- In July 2024, we had arranged "FPG links TENJIN MINAMI".
- The cumulative arrangement amount for FY9/2024 exceeded 100 billion yen, establishing an over-whelming scale that outpaces competitors and securing a diverse inventory to meet strong demand.



Arranged in July, 2024*
FPG links
TENJIN MINAMI
An office and commercial building, our 6th project in Fukuoka City.



Arranged in June 2024
Roppongi Hills Mori Tower
The entire 18th and 21st floors of the Roppongi Hills Mori Tower, the icon representing the large-scale complex facitily Roppongi Hills, has been arranged.



Arranged in March 2024
GINZA SIX
Arranged the entire 11th floor of a large-scale complex facility representing Ginza.



Arranged in April 2024
FPG links
KOBE MOTOMACHI
Our 1st project in Kobe and Motomachi area.

* To be recorded in the Q4 of the FY9/2024.

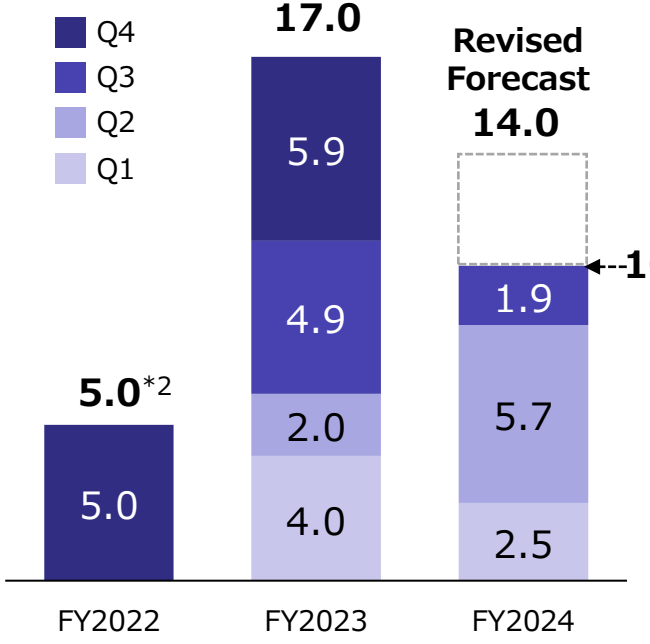
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International Real Estate Fund Business

- The large-scale multifamily housing complex project in Austin, Texas, which was the 3rd project arranged and launched in October 2023, has sold out in April 2024.
- In May 2024, as our 4th project, we arranged "Hyatt Centric Waikiki Beach*1," a large-scale hotel-centered mixed-use building in Hawaii. However, considering the delayed sales launch from the initial projection, we have revised the full-year sales forecast from JPY 18 billion to JPY 14 billion.
- In anticipation of future growth, we plan to acquire the 5th project in Q4 of FY9/2024.

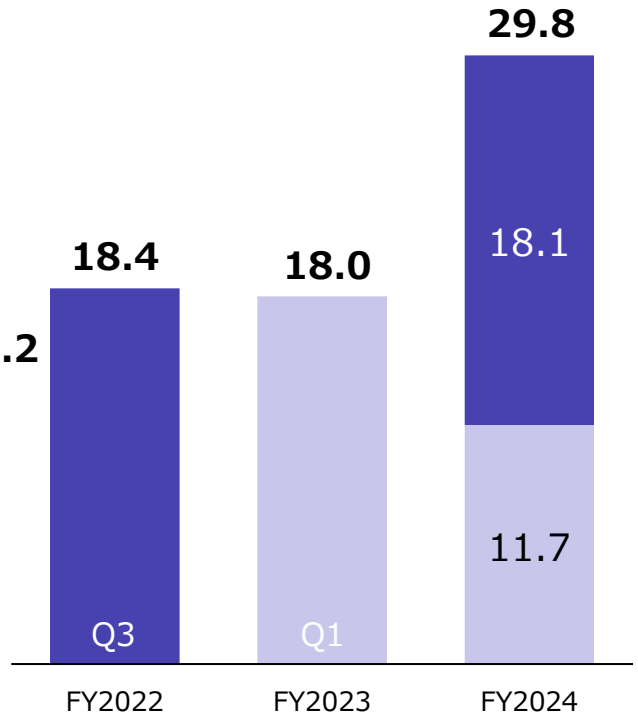
Trends in Sales Amount

(Unit: JPY billion)



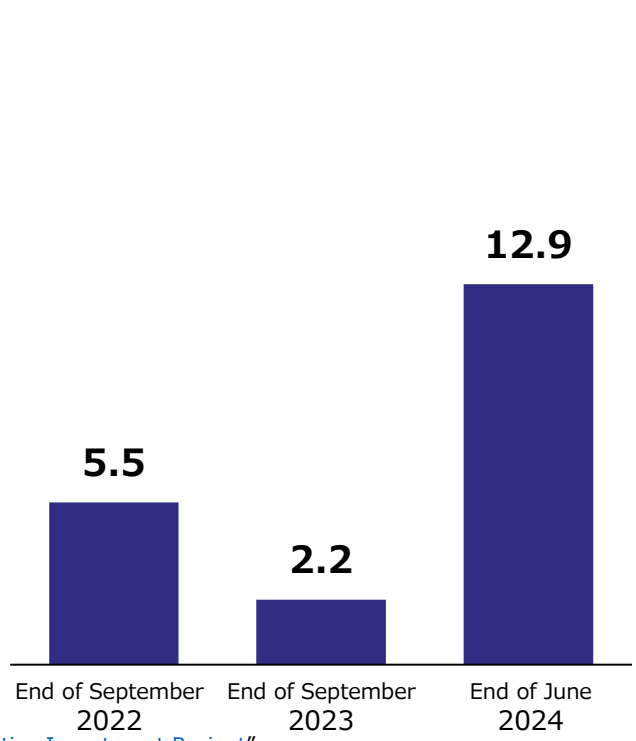
Trends in Arrangement Amount

(Unit: JPY billion)



Trends in Inventory

(Unit: JPY billion)



*1 Announced June 3, 2024 "Notice Regarding the Acquisition of Real Estate for Arrangement of the International Real Estate Collective Investment Project"
*2 Commenced sale of international real estate investment product from June 2022.

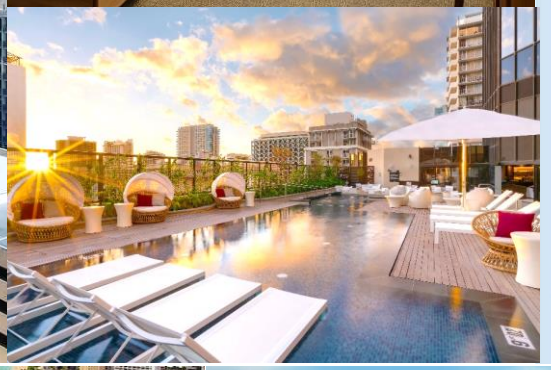
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International Real Estate Fund Business Initiatives

- In May 2024, as our 4th project, we arranged “Hyatt Centric Waikiki Beach,” a large-scale hotel-centered mixed-use building in Hawaii. The 5th project is scheduled to be arranged in Q4.

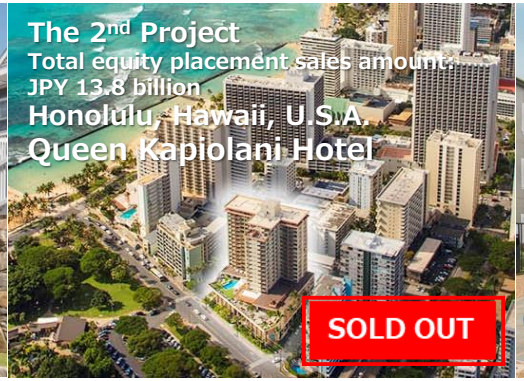




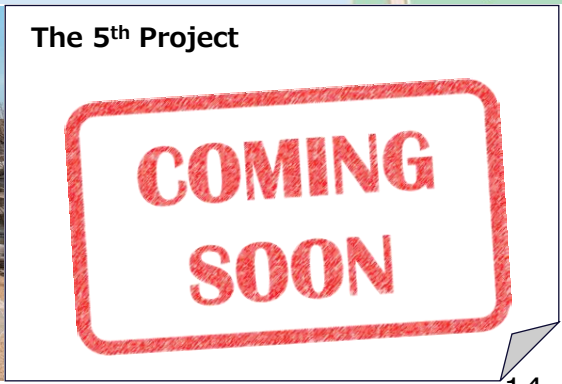












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Appendix

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FY9/2024 Earnings Forecast

(Unit: JPY billion)

	FY9/2023	FY9/2024 Forecast*	YoY Amount	YoY Rate
Net sales	71.14	99.50	+28.35	+39.8%
Operating income	18.26	25.60	+7.33	+40.2%
Ordinary income	17.98	26.00	+8.01	+44.5%
Margin on sales	25.3%	26.1%	-	-
Profit attributable to owners of parent	12.46	18.00	+5.53	+44.4%
Margin on sales	17.5%	18.1%	-	-
Annual dividend per share (yen)	73.00	105.85	+32.85	

* Revised forecast announced on July 29, 2024

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FY9/2024 Earnings Forecast
Sales Breakdown by Business & KPI

(Unit: JPY billion)

Sales Breakdown by Business		FY9/2023	FY9/2024 Forecast*	YoY Amount	YoY Rate
Leasing Fund Business		22.18	26.60	+4.41	+19.9%
Domestic Real Estate Fund Business		45.07	69.50	+24.42	+54.2%
International Real Estate Fund Business		2.82	2.90	+0.07	+2.7%
Other Business		1.06	0.50	(0.56)	(53.0%)
Total		71.14	99.50	+28.35	+39.8%
Leasing Fund Business	Equity Placement Sales amount	136.33	170.00	+33.66	+24.7%
	Arrangement amount	359.21	450.00	+90.78	+25.3%
Domestic Real Estate Fund Business	Sales amount	44.57	68.00	+23.43	+52.6%
International Real Estate Fund Business	Sales amount	17.03	14.00	(3.03)	(17.8%)

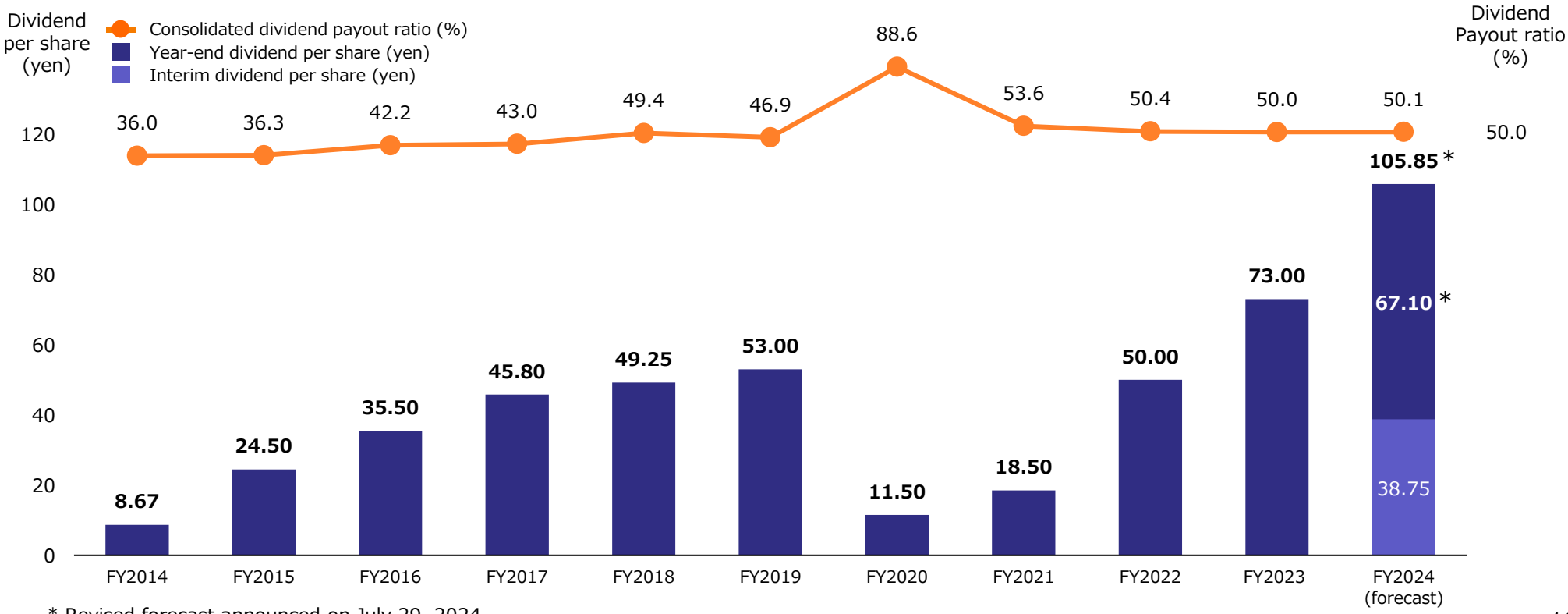
* Revised forecast announced on July 29, 2024

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Shareholder Return

- Basic Policy: Continue to pay stable dividends while securing the internal reserves necessary for maintaining growth and increasing corporate value.
  Began interim dividend from FY9/2024.
- Dividend payout ratio : Aim for a consolidated dividend payout ratio of 50%
  - ✓ Annual Dividend for the FY9/2023 : 73.00 yen per share
  - ✓ Annual Dividend for the FY9/2024 (forecast) : 105.85 yen per share* (an increase of 32.85 yen YoY)

Dividend per share and consolidated dividend payout ratio



* Revised forecast announced on July 29, 2024

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Consolidated Income Statement Summary

(Unit: JPY billion)

	FY2023 3Q	FY2024 3Q	YoY Amount	YoY Rate
Net sales	48.03	81.31	+33.27	+69.3%
① Cost of sales	26.74	50.85	+24.10	+90.1%
Gross profit	21.29	30.46	+9.17	+43.1%
SG&A Cost	5.89	7.37	+1.47	+25.0%
Operating income	15.39	23.09	+7.69	+50.0%
② Non-operating income	2.13	2.27	+0.14	+6.7%
③ Non-operating expenses	2.11	1.89	(0.21)	(10.0%)
Ordinary income	15.41	23.47	+8.05	+52.2%
Income before income taxes	15.29	24.02	+8.72	+57.1%
Total income taxes	4.66	7.38	+2.71	+58.2%
Profit attributable to owners of parent	10.60	16.62	+6.01	+56.7%

① Cost of sales
Includes real estate acquisition cost, arrangement cost for Leasing Fund Business projects and commission paid for customer refers.

② Non-operating income
Includes advance interest collected when selling equity placement to investors and gain on investments in money held in trust in the Leasing Fund Business.

③ Non-operating expenses
Includes interest paid on commission fees and interest expenses related to fund procurement.

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Consolidated Balance Sheet Summary

(Unit: JPY billion)

Assets	FY2023	FY2024 3Q	YoY
Current assets	168.29	203.36	+35.07
Cash and deposit	15.98	18.98	+3.00
① Equity underwritten	83.40	80.60	(2.79)
② Money held in trust (Aircraft for Arrangement)	18.38	4.99	(13.39)
③ Real estate for arrangement	37.63	78.09	+40.46
Non-current assets	15.38	7.67	(7.71)
Total assets	183.67	211.03	+27.36
Liabilites and net assets	**FY2023**	**FY2024 3Q**	**YoY**
Current liabilities	120.99	100.25	(20.74)
Short-term debt	94.90	75.81	(19.09)
④ Contract liability	13.71	14.76	+1.05
Non-current liabilities	18.37	60.05	+41.67
Long-term debt	18.03	59.50	+41.46
Total liabilities	139.37	160.31	+20.93
Total net assets	44.29	50.72	+6.42
Total liabilities and net assets	183.67	211.03	+27.36

① Equity underwritten
Temporary advances in the Leasing Fund Business and International Real Estate Fund Business before selling to equity investors.

② Money held in trust (Aircraft for Arrangement)
Temporary inventory of trust beneficiary right of operating lease for aircraft using a trust function.

③ Real estate for arrangement
Inventory of the Domestic Real Estate Fund Business.

④ Contract liability
Including advances of commission fees related to Leasing Fund Business and Real Estate Fund Business (International Real Estate Investment Product).

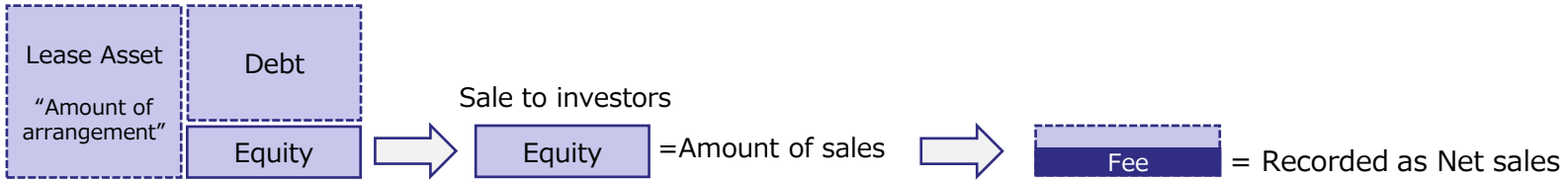
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Business Categories and Net Sales

■ FPG's business is divided into the following four categories in this document.

Leasing Fund Business

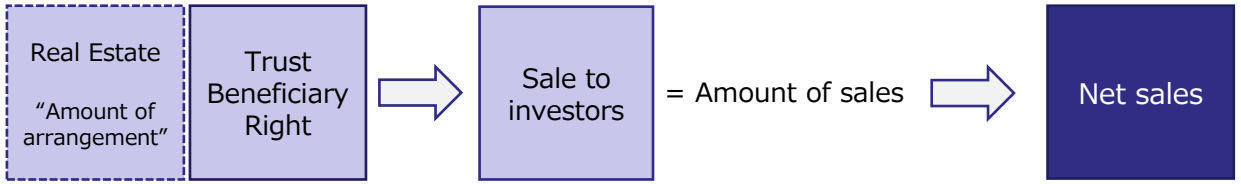
The Leasing Fund Business provides arrangement and management services for operating leases for aircraft, ships and marine containers. It also sells equity interests in the silent partnership "Tokumei Kumiai," general partnership "Nini Kumiai" and trust beneficiary rights for operating leases to investors. Net sales include arrangement fees for arrangement in the operating lease business, sales commissions received on the sale of silent partnership interests to investors, etc. Sales of partnership interests and trust beneficiary rights to investors are not recorded as net sales.



Domestic Real Estate Fund Business

Real Estate Fractional Ownership Investment Product

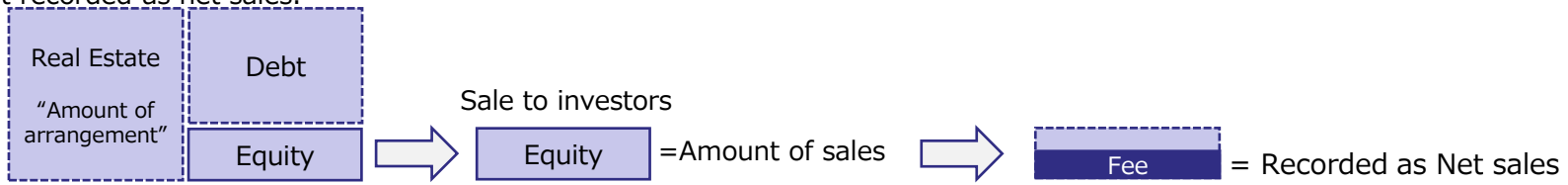
Arranges and sells to investors real estate fractional ownership investment products, using the trust function of FPG Trust. The total amount of sales to investors is recorded as net sales.



International Real Estate Fund Business

International Real Estate Investment Product

The Real Estate Fund Business arranges and manages collective investment projects targeting international real estate, and sells equity stakes in the general partnership "Nini Kumiai." Net sales include arrangement fees for the arrangement of collective investment projects and commissions received on the sale of general partnership stakes to investors, among other sources. However, sales of general partnership stakes to investors are not recorded as net sales.



Other Business

"Other Business" includes Insurance Sales Business, M&A Business, Aviation Business, Fractional Ownership Platform Business, etc.

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Disclaimer

Projected results described in these presentation slides are based on the information available to the Company at the time of preparing, as well as certain assumptions judged by the Company to be reasonable, and, therefore, actual results could be different from these projections because of various risks and uncertain factors.

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